

REPORT OF THE  
FACT FINDING COMMITTEE  
on HIGHWAYS, STREETS and BRIDGES



TO THE  
**L**EGISLATURE  
OF THE  
STATE OF MONTANA





MONTANA FACT FINDING COMMITTEE  
HIGHWAYS, STREETS AND BRIDGES  
P. O. BOX 221  
HELENA, MONTANA

REPORT OF THE MONTANA FACT FINDING COMMITTEE

ON HIGHWAYS, STREETS AND BRIDGES

(Established by Chapter 99, Laws of Montana 1955)

TO THE

35TH LEGISLATIVE ASSEMBLY

COMMITTEE MEMBERS

Chairman - George B. Schotte

Dist. No.

- |   |  |
|---|--|
| 1. Conrad F. Lundgren, West Glacier     | 7. * C. M. Wall, Helena                |
| 2. Sen. George W. Wilson, Shelby        | 8. Russell E. Smith, Missoula          |
| 3. Rep. Lloyd J. Michels, Medicine Lake | 9. * George B. Schotte, Butte          |
| 4. Nels Bach, Sidney                    | 10. Elmer Schye, White Sulphur Springs |
| 5. Sen. Kenneth R. Cole, Winnett        | 11. Melvin Seitz, Billings             |
| 6. *Ralph C. Bricker, Great Falls       | 12. ** E. G. Balsam, Miles City        |

\* Executive Committee

\*\* Replaced Tim Babcock who moved from District 12  
after appointment

Wm. L. Hall, Executive Director

December 1956



MONTANA FACT FINDING COMMITTEE  
HIGHWAYS, STREETS AND BRIDGES

P. O. BOX 921

HELENA, MONTANA

GEORGE B. SCHOTTE  
CHAIRMAN

WILLIAM L. HALL  
EXECUTIVE DIRECTOR

MEMBERS

FINANCIAL DISTRICT No. 1  
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FINANCIAL DISTRICT No. 2  
SEN. GEORGE WILSON, SHELBY  
FINANCIAL DISTRICT No. 3  
REP. LLOYD J. MICHELS, MEDICINE LAKE  
FINANCIAL DISTRICT No. 4  
NELS BACH, SIDNEY

FINANCIAL DISTRICT No. 5  
SEN. KENNETH R. COLE, WINNETT  
FINANCIAL DISTRICT No. 6  
REP. R. C. BRICKER, GREAT FALLS  
FINANCIAL DISTRICT No. 7  
NEIL WALL, HELENA  
FINANCIAL DISTRICT No. 8  
RUSSELL E. SMITH, MISSOULA

FINANCIAL DISTRICT No. 9  
GEORGE B. SCHOTTE, BUTTE  
FINANCIAL DISTRICT No. 10  
ELMER SCHYE, WH. SUL. SPGS.  
FINANCIAL DISTRICT No. 11  
MELVIN SEITZ, BILLINGS  
FINANCIAL DISTRICT No. 12  
TIM R. BABCOCK, MILES CITY

December 21, 1956

To: The Governor of the State of Montana,  
The President of the Senate,  
The Speaker of the House of Representatives,  
and the Members of the Legislature

Gentlemen:

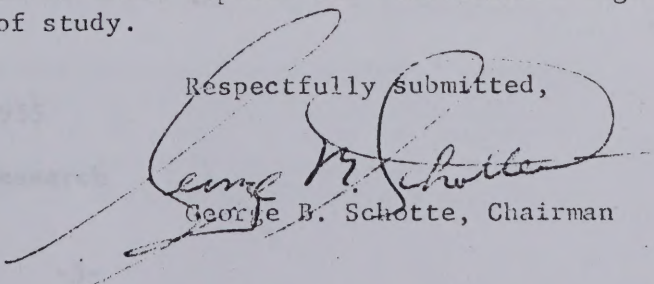
The Montana Fact Finding Committee is pleased to submit this report in accordance with Section 6 of Chapter 99 of the 1955 Session Laws of Montana.

A great deal of staff work was involved preparatory to the Committee's considered recommendations. The principal work is covered in consultant reports entitled:

1. "Moving Ahead on Montana's Highways"  
(An Engineering Analysis) by the  
Automotive Safety Foundation.
2. "Financing Modern Highways for Montana"  
by William L. Hall, Transportation  
Economist.

Other staff reports have also been prepared and are listed as references on page five. Each of these reports has considerable significance in the specific area of study.

Respectfully submitted,

  
George B. Schotte, Chairman





# TRAFFIC FLOW MAP

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## REFERENCES

The report of the Fact Finding Committee on Highways, Streets and Bridges is based on the findings reported in the nine publications listed below:

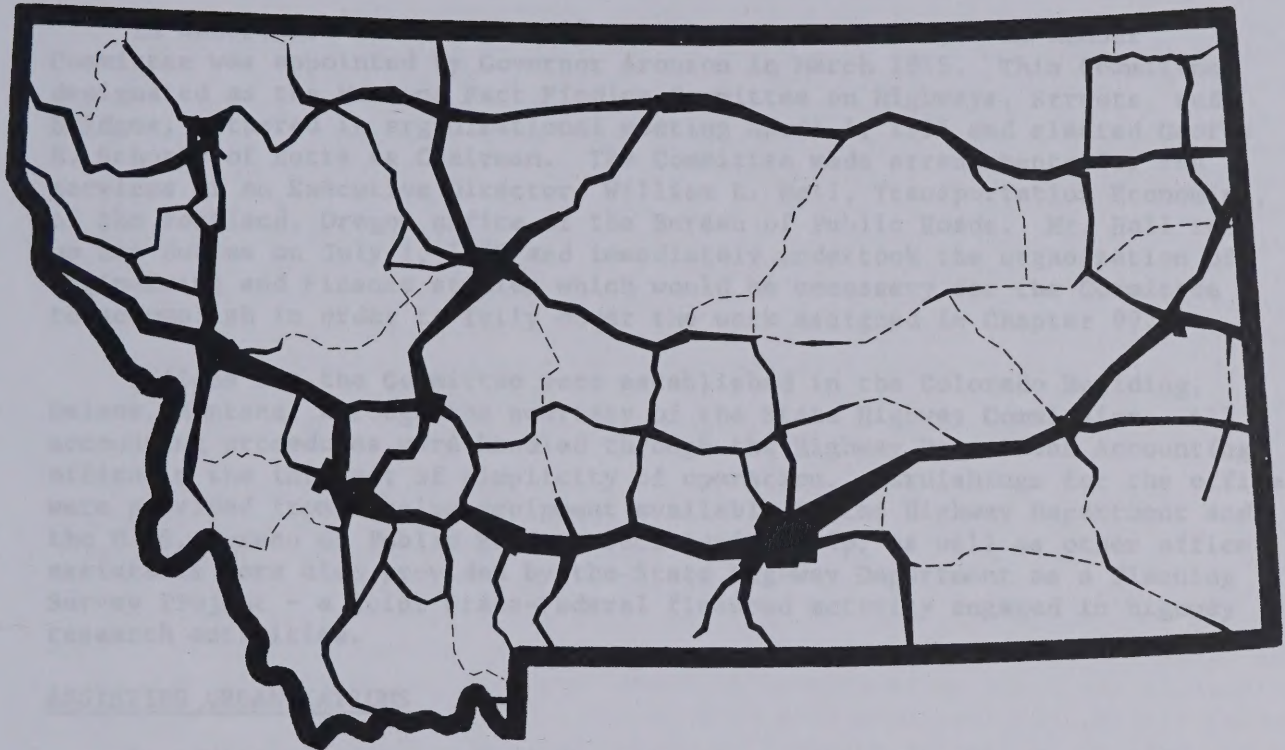
- A. "Moving Ahead on Montana's Highways" - an engineering report on the needs, classification, construction, maintenance and management of Montana Highways, Streets and Bridges.
- B. "Financing Modern Highways for Montana" - a report by Wm. L. Hall on Highway Finance in Montana - past, present, and proposals for the future. This report includes suggestions for distribution of costs among various highway beneficiaries and users as well as allocation of revenue to counties, cities and State.
- C. "Benefits from Highway Development - Highway User and Non-User" - a report on distribution of cost burdens between highway users and others. Prepared by the Montana State College Agricultural Experiment Station.
- D. "Effect of Commercial Vehicle Taxation on Consumer Prices" - a report by the Bureau of Business and Economic Research, Montana State University.
- E. "Periodic Motor Vehicle Inspection" - a report to the Fact Finding Committee on the experience of other States in vehicle inspection programs, and the advantages and disadvantages of such a program for Montana.
- F. "Montana Highway Safety Problem" - a report to the Fact Finding Committee on principal items of the Highway Safety Problem in Montana.
- G. "The Montana Incremental Method of Determining Motor Vehicle Tax Responsibility" - a technical discussion of the incremental method of highway cost allocation among the various users. This provides the technical support of data reported in Chapter 5 of "Financing Modern Highways for Montana." (Report in process of being printed. No release date announced.)
- H. "History of Highway Finance in Montana" - a detailed report including individual county data and other information too voluminous for the printed report on Financing Modern Highways.
- I. "Highway User Tax Schedules Recommended in Other State Highway Finance Studies Compared with Montana". A report comparing schedules of vehicle taxation in 11 States that have recently studied their problem with rates now in effect in Montana and with those proposed in studies of this Committee.



# TRAFFIC FLOW MAP

## ORGANIZATION AND PROGRESS OF THE COMMITTEE

### GENERAL ORGANIZATION



In addition to the work of the Committee and the staff, the study benefited from the advice and assistance of the Highway Research Council - an organization officially established by the same law creating the Fact Finding Committee. The membership of this Council and further information regarding its activities are included in appendix "A" of this report.

Hundreds of individuals and organizations assisted in the work of your Committee. To name the individuals would be an endless task but some of the most helpful were:

This traffic flow map of the State Highway System shows the major streams of rural traffic in Montana. These highways, together with the thousands of miles of county roads and city streets, open the advantages of motor transportation to all the people of the state.

The purpose of the engineering appraisal was to determine the cost of making and keeping these roads and streets adequate to serve this vital function.

Relative volumes of daily traffic are indicated by width of band except on routes with less than 200 vehicles per day where dashed lines are used.

It was determined during the study in July 1935, that the first priority would be the establishment of a highway needs study for the entire State in





## ORGANIZATION AND PROCEDURE OF THE COMMITTEE

### GENERAL ORGANIZATION

In accordance with Chapter 99, Session Laws of 1955, a 12-member Committee was appointed by Governor Aronson in March 1955. This Committee, designated as the Montana Fact Finding Committee on Highways, Streets, and Bridges, gathered in organizational meeting April 1, 1955 and elected George B. Schotte of Butte as Chairman. The Committee made arrangements for the services of an Executive Director, William L. Hall, Transportation Economist, of the Portland, Oregon office of the Bureau of Public Roads. Mr. Hall took up his duties on July 1, 1955 and immediately undertook the organization of Engineering and Finance studies which would be necessary for the Committee to accomplish in order to fully cover the work assigned in Chapter 99.

Offices for the Committee were established in the Colorado Building, Helena, Montana, through the courtesy of the State Highway Commission. All accounting procedures were handled through the Highway Department Accounting office in the interest of simplicity of operation. Furnishings for the office were provided from surplus equipment available to the Highway Department and the U. S. Bureau of Public Roads. Secretarial help, as well as other office assistants were also provided by the State Highway Department as a Planning Survey Project - a joint State-Federal financed activity engaged in highway research activities.

### ASSISTING ORGANIZATIONS

In addition to the work of the Committee and the staff, the study benefitted from the advice and assistance of the Highway Research Council - an organization officially established by the same law creating the Fact Finding Committee. The membership of this Council and further information regarding its activities are included in Appendix "B" of this report.

Hundreds of individuals and organizations assisted in the work of your Committee. To name the individuals would be an endless task but some of the most helpful organizations were the Automotive Safety Foundation, State Highway Department, Board of Equalization, State Highway Patrol, Registrar of Motor Vehicles, U. S. Bureau of Public Roads, Montana Motor Transport Association, Western Highway Institute, National Highway Users Conference, Montana Automobile Dealers Association, Association of Motor Vehicle Administrators, Montana State College, Montana State University, University of Washington, State of Oregon Highway Department, National Academy of Sciences - Highway Research Board, and many others.

### PRINCIPAL STUDIES

It was determined in a meeting in July 1955, that the first priority would be the establishment of a highway needs study for the entire State to

determine the total highway problem that Montana has before it. It was the opinion of the group that the Automotive Safety Foundation of Washington, D. C. was the best equipped organization in the country to conduct such a study. This organization was contacted and agreed to perform such a study under contract to the Committee and the State Highway Department. The State agreed to finance the entire cost of this phase of the work as a joint Federal-State project if the work was acceptable to the Bureau of Public Roads as a reimbursable project under Planning Survey funds. The project was so acceptable, and accordingly no Fact Finding Committee funds were expended on this broad undertaking. It should be noted that this study by the Automotive Safety Foundation is the point of departure for much of the work of this Committee. This Automotive Safety Foundation is financed by the allied automotive industries as a non-profit organization and dedicated to education and research for safe, efficient highway transportation. In filing their report, "Moving Ahead on Montana's Highways", the officials of this organization, national figures in highway work, made it clear that they would be pleased to return to Montana at the request of the legislators to meet with official groups and discuss the findings of their work in any detail desired.

In addition to the engineering study it was also necessary to have a study of highway finance in Montana. This study was placed under the direction of William L. Hall and two men from the State Highway Department were assigned to assist him in his work. One, a Research Engineer, devoted full time to the problem of highway cost assignment to vehicles of different sizes and weights. The other, an Economist, gathered data regarding the historical highway finance picture in the State as it related to State, counties and cities, as well as future trends, and long term finance problems. All of the work of this group is reported in "Financing Modern Highways for Montana", which is a fairly comprehensive encyclopedia of highway finance data in the State.

## FINANCING

Chapter 99 of the Laws of 1955 established a fee schedule for trucks and busses in the State which was calculated to return about \$35,000.00 for the operation of the Committee. The fees levied were to be collected once only, at the time of 1956 registration, with the funds being deposited in the State Highway fund. The Committee was appropriated \$35,000 with which to operate and any excess returns from the fees reverted to the Highway fund. As of November 1, 1956, the total collections of Fact Finding fees amounted to \$49,156.75, a substantial excess over the expected \$35,000.

In addition to this \$35,000 a tacit agreement had been reached with the Highway Department regarding supplemental financing with joint Federal-State funds available for this type work. The amounts expended by the State Highway Department funds and the Fact Finding appropriation by broad purpose of expenditure as of December 1, 1956, are shown below. There were, at that date, a number of outstanding obligations, most notable being the printing



costs of the two principal reports. These and other items have been entered as approximations. A final accounting will probably not be available until about February 15, 1957.

Item	Expended From Funds Of:	
	(To December 1)	
	Fact Finding <u>Committee</u>	State Highway <u>Department</u>
Engineering Needs Studies		\$ 112,000.00
Salaries and Expenses	\$ 19,000.00	
Committee Transportation and Subsistence	5,000.00	
Office Supplies and Expense	1,300.00	
Office Rent		769.00
Incremental Cost Allocation		16,500.00
Financial Studies	6,000.00	
Safety Studies		2,670.81
Administration and Legal		3,000.00
Miscellaneous		14,954.28
Total	\$ 31,300.00	\$149,894.09

#### MEETINGS

The Committee had a limited number of meetings in order to hold travel and per diem expenses to a minimum. Meetings were called at the discretion of the executive committee and also at such time as policy matters required consideration. Meetings were, for the most part, restricted to the membership. There were three notable exceptions. One exception was an open meeting held in the House Chambers on March 14, 1956, to which all interested parties were invited. The purpose of this meeting was to permit the staff of both the engineering and the finance studies to report their methods of operation and the limited findings as of that date.

A second public meeting was scheduled for August 28, 1956. This meeting was held in the conference room of the Colorado Building in Helena, and was restricted to one interested group at a time presenting opinions, attitudes, and data, regarding the highway problem of Montana and proposed financing. The following organizations appeared at that meeting and presented prepared papers for the Committee's consideration.

County Commissioners Association  
Portland Cement Association  
The Asphalt Institute  
Montana Chamber of Commerce  
Montana Municipal League  
Montana Motor Transport Association  
Montana Contractors Association

In addition to these organizations about 25 other Montana associations were invited to appear and either declined the invitation or did not respond.

The third public meeting of the Committee was perhaps the most important, as it was held to present the findings of the long months of study to the public and interested officials. This meeting was held in the Western Life Insurance Company Auditorium in Helena, on November 15, 1956, and included an all day presentation of the highlights of the work performed. The morning session was devoted to the engineering study report and the afternoon session to the report on finances. The recommendations of the Committee were formulated in sessions following this broad presentation.



## RECOMMENDATIONS

The bases for recommendations of the Committee are the data gathered and analyzed in the reports referenced in the front of this publication. In addition to the recommendations contained herein, it is recognized that there are a number of subjects upon which recommendations would be desirable but since there was insufficient time to develop reliable data on which recommendations could be based, these specific points are suggested for future study. These suggestions for future consideration are included in the section following Committee recommendations.

In reviewing the Committee recommendations, it will be noted that only a brief synopsis of each item is provided. The subjects are covered in much more detail in the referenced reports and it is believed that persons interested in specific detail will find the information they seek in those studies.

All recommendations of the 12-man Committee have been passed upon in regular meeting and are unanimous, unless indicated otherwise.

1. Continuation of fuel tax rates at 7¢ per gallon gasoline, and 9¢ per gallon diesel.

Discussion: All of the work of the Committee has been based on the assumption that the present fuel tax fee of 7 cents per gallon gasoline will remain in effect. The 9-cent tax on diesel, considered to be comparable, has also been considered as a continuing fee, except under one schedule of the Highway Use Tax which provides that diesel vehicles paying mileage fees would not be required to also pay fuel tax. Under this provision, the gasoline powered vehicle would pay at a lower rate than diesel because of the fact that fuel tax would be paid by gasoline powered vehicles. If the fuel tax rates were to be adjusted, it would require a general revision of the entire schedule considered by the staff.

Recommendation: The Committee recognizes that the fuel tax is the principal producer of highway revenue in the State and that the continuation of this revenue at present rates is essential if Montana is to have the highway plant it needs for economic development. Continuation of fuel taxes at their present level - 7 cents per gallon on gasoline and 9 cents per gallon on diesel - is accordingly recommended.

2. Reenact gas tax law which will expire with last bond payment.

Discussion: Based on an opinion of the Attorney General, it will apparently be necessary to reenact the fuel tax law, since 6 cents of the tax is definitely tied to the retirement of the State High-

way bonds. This is a simple procedure, but should not be overlooked, since the last bond will probably be retired in the Fall of 1957.

Recommendation: Regardless of the level of gasoline taxation it is obvious that tax of some magnitude will be necessary. It is recommended that standby legislation be enacted to continue the gasoline tax at the desired level at such time as the highway bonds are retired.

3. Adjust all passenger car fees to \$10.00.

Discussion: The provision of a \$5.00 license fee for vehicles under 2,850 pounds appears to have little justification. The license fee is largely a standby charge levied against all vehicles regardless of mileage or weight. It would be in the interest of simplicity to make the fee a standard \$10.00 charge. The lighter vehicles are automatically paying less overall taxes, since their fuel consumption is less on each mile of travel. In this weight zone the effect of weight on fuel consumption is very significant as would be shown by an extension of the gasoline fuel consumption curve delineated on Figure 1. The derivation of these curves is discussed on page 35 of the report, "Financing Modern Highways for Montana".

Recommendation: It is considered that the weight differential for passenger cars has lost its significance in Montana's present highway user tax schedule. It is accordingly recommended that all passenger car fees be set at \$10.00 annually.

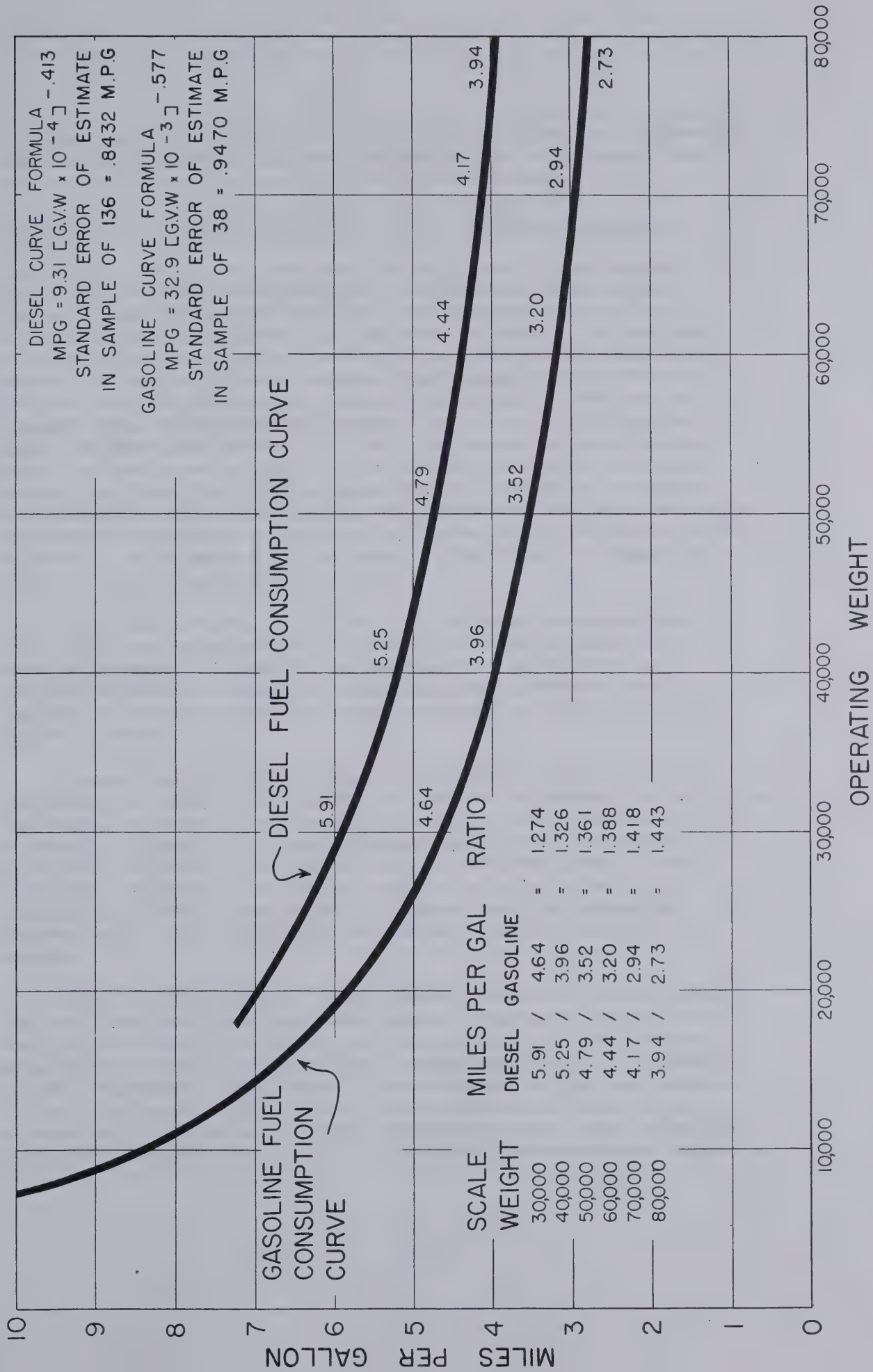
4. Increase permissive millage levy for roads and streets, from 10 mills to 15 mills.

Discussion: A majority of the counties and cities now levy the maximum allowable 10 mills for roads and streets. This millage is not adequate in all instances and several county and city officials have expressed the desire that the permissive levy be increased to 15 mills. This seems to be a logical suggestion, since it will then leave the actual levying of taxes to the local officials within more realistic limits.

Recommendation: The need for highway revenue at the local level is very serious. It is particularly serious at the rural level. Since it is unlikely that registration fee revenue will increase in the most critical areas in any substantial amount and since it will be some time before the State can go to the aid of these units, it is considered practical that permissive millage limits



COMPARISON OF AVERAGE FUEL CONSUMPTION  
GASOLINE VS DIESEL POWERED VEHICLES  
STATE OF MONTANA 1956







for roads and streets should be increased. The Committee recommends that legislation permitting counties and cities an increased levy for road and street purposes be considered favorably.

5. Highway-use tax (Weight-Distance) or Gross Vehicle Weight Tax.

Discussion: During the past year the full time of one engineer, plus a considerable amount of time by others, has been devoted to the development of an equitable rate of taxation for vehicles of different sizes and weights. In arriving at costs to be assigned to each vehicle user, only those costs remaining after deduction of Federal Aid and anticipated revenue from property taxes and other sources have been considered. The matter of cost allocation is covered rather thoroughly in Chapter 5 of the report, "Financing Modern Highways for Montana." It will be covered in even greater detail in the report entitled, "The Montana Incremental Method of Determining Motor Vehicle Tax Responsibility." Also, the effect of commercial vehicle taxation on consumer prices has been partially examined by the Bureau of Business and Research of the Montana State University and submitted in the report, "The Effect of Commercial Vehicle Taxation on Consumer Prices."

If Montana were able to finance its highway program with a lower fuel tax, no adjustment of commercial vehicle taxation would be necessary. However, in the light of relatively high fuel tax in this State and the consequent high passenger car charges, it appears that adjustment of commercial vehicle taxation may be in order.

A comparison of highway taxes in Montana at 1956 rates with the median of rates for 11 States, California, Colorado, Idaho, Illinois, Louisiana, Minnesota, New York, Ohio, Oregon, Utah, and Washington, is shown in Figure 5. A similar comparison of Montana proposed rates with the same 11 states is shown on the same chart. Detail of assumed mileages, fuel consumption and other data used in this analysis are given in the report, "Highway User Tax Schedules Recommended in Other State Highway Finance Studies Compared with Montana."

Faced with the prospect of increased commercial vehicle rates, the staff has developed individual vehicle responsibilities into two fee schedules. One is, in effect, a revision of the present Gross Vehicle Weight fee schedule, in accordance with the findings of the "Incremental Cost" study. The second is a flat fee schedule for vehicles under 24,001 pounds, and a combination flat fee and mileage fee for vehicles of 24,001 pounds and over. Both schedules are shown here for convenience although their derivation and magni-

tude are also shown in Chapter 6 of "Financing Modern Highways for Montana."

Both the total flat fee schedule and the combination flat fee and mileage schedule provide a 20 percent fee for farm vehicles under 24,001 pounds. The study procedures found that vehicles used legitimately for farm purposes in these categories, preponderantly used roads without weight cost increments. This fact accounted for the lesser charge for farm vehicles although it is admitted that other procedures - a straight ton mile allocation for instance - would find no difference between per mile responsibilities of farm and commercial operations. The latter type allocation, however, would result in a larger portion of the cost being assigned to trucks as a whole and large combinations in particular and a lesser amount to passenger cars.

If it is desired to use the flat fee schedule shown in table 1, it can be inserted rather simply in the present Gross Vehicle Weight law providing also for a pulling unit fee rather than a separate fee for truck and trailer.

In accordance with the instructions of the legislature, a highway use law incorporating the weight-distance fee principle has been drawn for Montana. The proposed bill is included in Appendix "C" in the report, "Financing Modern Highways for Montana." Because of the necessary length of the law and in the interest of brevity, it is not repeated here.

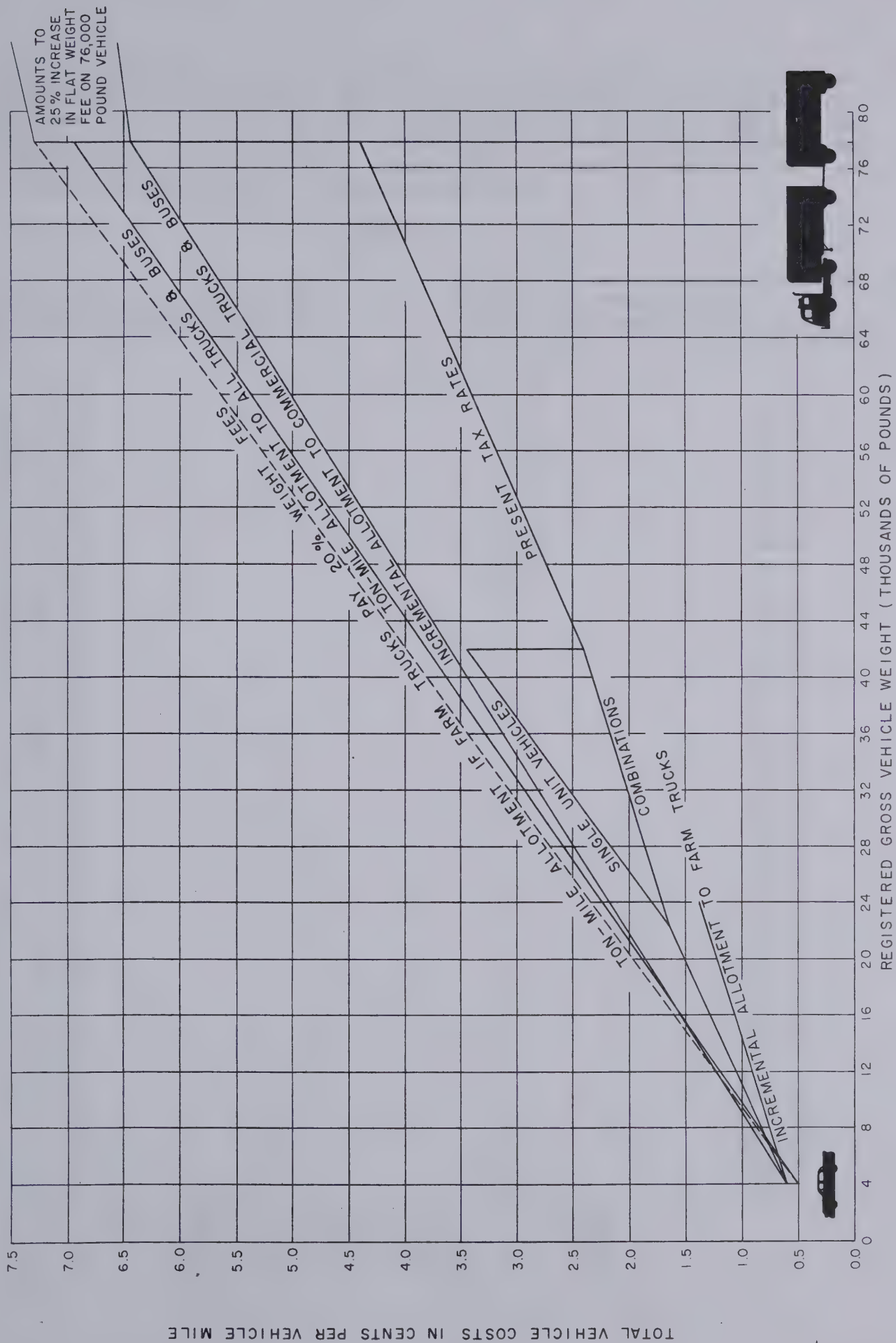
Recommendation: A majority of the Committee recommends that the legislature consider adjustments in commercial vehicle taxation as outlined in the fee schedules included herein.

6. Convert commercial vehicle taxation to pulling unit fee.

Discussion: The present taxation of commercial vehicles is based on a separate fee for the power unit and for the trailing unit, in the case of combinations. Considerable simplicity could be added to the entire tax structure by charging the weight fee, mileage, or annual levy, on the pulling unit only, with that unit being qualified for the entire gross weight of the combination. Also, the present procedure of charging weight fees separately for pulling and trailing unit leads to certain inequalities in the fee charged single unit trucks and combinations of the same total weight. As an example, a single unit truck registering at 42,000 pounds gross pays an annual weight fee of \$435.00. On the other hand, a typical combination of 24,000 pounds gross pulling unit and 18,000 pound trailer, also 42,000 pounds gross, pays \$75.00 for the power unit and \$30.00 for the trailer, a total of \$105.00. In ad-



# COMPARISON OF RESPONSIBILITY ALLOTMENTS & 1955 TAXATION IN MONTANA







A proposed annual fee (adjusted Gross Vehicle Weight) schedule based on the cost of providing highways for vehicles of different sizes and weights as developed in the Incremental Analysis is given below. Basic calculations may be found in Table 6-4 of "Financing Modern Highways for Montana." These rates are based on the assumption that present fuel taxes will remain as now in effect. Any adjustment of fuel tax rates would require a proportional adjustment of these proposed rates.

Table 1.

Total Gross Weight of Solo Truck or Combination Pulling and Trailing Unit (Pounds)	Recommended Annual Rate to Compensate for Cost of Providing Highways (exclusive of regular registration fee)	
	Farm Vehicles	Commercial Vehicles
	\$	\$
Under 6,000	4.00	6.00
6,000 to 8,000	5.00	16.00
8,001 to 10,000	6.00	30.00
10,001 to 12,000	7.00	36.00
12,001 to 14,000	8.00	42.00
14,001 to 16,000	10.00	48.00
16,001 to 18,000	11.00	54.00
18,001 to 20,000	12.00	60.00
20,001 to 22,000	13.00	66.00
22,001 to 24,000	14.00	72.00
24,001 to 26,000		100.00
26,001 to 28,000		125.00
28,001 to 30,000		150.00
30,001 to 32,000		175.00
32,001 to 34,000		200.00
34,001 to 36,000		225.00
36,001 to 38,000		250.00
38,001 to 40,000		350.00
40,001 to 42,000		450.00
42,001 to 44,000		600.00
44,001 to 46,000		700.00
46,001 to 48,000		800.00
48,001 to 50,000		900.00
50,001 to 52,000		1,000.00
52,001 to 54,000		1,100.00
54,001 to 56,000		1,180.00
56,001 to 58,000		1,260.00
58,001 to 60,000		1,340.00
60,001 to 62,000		1,425.00
62,001 to 64,000		1,500.00
64,001 to 66,000		1,575.00
66,001 to 68,000		1,650.00
68,001 to 70,000		1,725.00
70,001 to 72,000		1,800.00
72,001 to 74,000		1,875.00
74,001 to 76,000		1,950.00
76,001 to 78,000		2,050.00
Utility Trailers under 3,000 pounds (private use)	Exempt	
Utility Trailers under 3,000 pounds (commercial use)	\$ 3.00	
Utility Trailers 3,000 pounds to 6,000 pounds	5.00	
Utility Trailers 6,001 pounds to 10,000 pounds	8.00	
House Trailers	.25 per foot	

A proposed combination annual fee and mileage fee schedule based on the cost of providing highways for vehicles of different sizes and weights as developed in the Incremental Analysis is given below.

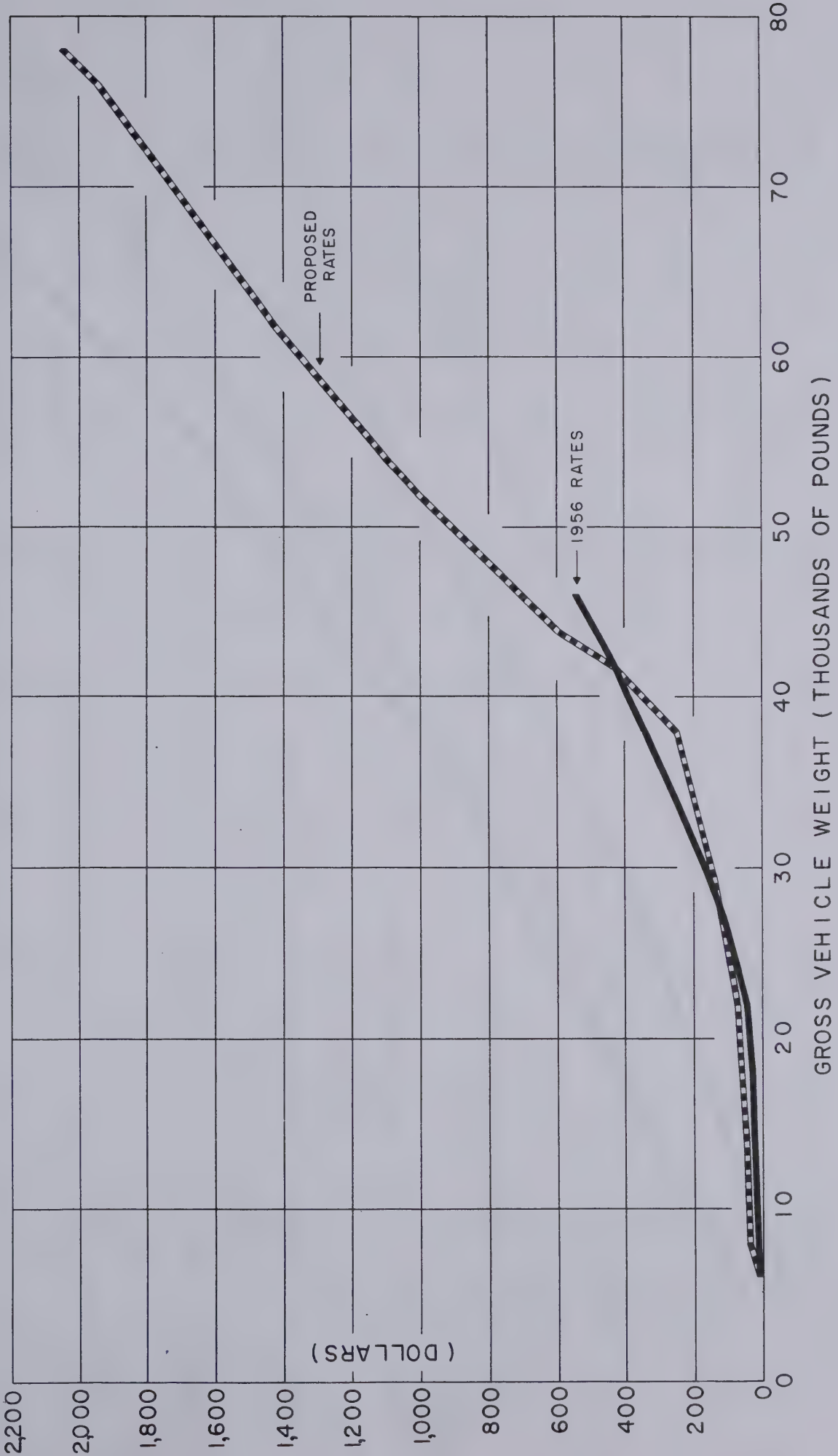
Table 2

			Additional Fee Per Mile of Operation (No Credit for Empty or Partial Loads)	
			<u>Schedule A</u>	<u>Schedule B</u>
Total Gross Weight of Solo Truck or Combination Pulling and Trailing Unit (Pounds)	Annual Flat Fee		(Vehicles paying Montana Fuel Tax) at 7¢ gasoline or 9¢ diesel (Mills)	(Vehicles not Paying Montana Fuel Tax) (Mills)
	Farm Vehicles \$	Commercial Vehicles \$		
Under 6,000	4.00	6.00		
6,000 to 8,000	5.00	16.00		
8,001 to 10,000	6.00	30.00		
10,001 to 12,000	7.00	36.00		
12,001 to 14,000	8.00	42.00		
14,001 to 16,000	10.00	48.00		
16,001 to 18,000	11.00	54.00		
18,001 to 20,000	12.00	60.00		
20,001 to 22,000	13.00	66.00		
22,001 to 24,000	14.00	72.00		
24,001 to 26,000		78.00	2.8	16.9
26,001 to 28,000		84.00	4.0	18.6
28,001 to 30,000		90.00	5.2	20.3
30,001 to 32,000		96.00	6.5	21.9
32,001 to 34,000		102.00	7.7	23.7
34,001 to 36,000		108.00	9.0	25.3
36,001 to 38,000		114.00	10.2	27.0
38,001 to 40,000		120.00	11.4	28.7
40,001 to 42,000		126.00	12.7	30.3
42,001 to 44,000		132.00	14.0	32.0
44,001 to 46,000		138.00	15.2	33.7
46,001 to 48,000		144.00	16.4	35.3
48,001 to 50,000		150.00	17.7	37.1
50,001 to 52,000		156.00	18.9	38.7
52,001 to 54,000		162.00	20.1	40.4
54,001 to 56,000		168.00	21.4	42.1
56,001 to 58,000		174.00	22.7	43.8
58,001 to 60,000		180.00	23.9	45.4
60,001 to 62,000		186.00	25.1	47.1
62,001 to 64,000		192.00	26.3	48.8
64,001 to 66,000		198.00	27.7	50.5
66,001 to 68,000		204.00	28.8	52.1
68,001 to 70,000		210.00	30.1	53.8
70,001 to 72,000		216.00	31.3	55.5
72,001 to 74,000		222.00	32.6	57.2
74,001 to 76,000		228.00	33.8	58.8
76,001 to 78,000		234.00	35.1	60.5
Over 78,000	35¢ per CWT		Add 1.5 mills for each additional 2,000 pounds	Add 1.9 mills for each additional 2,000 pounds



FIGURE 3

# GROSS VEHICLE WEIGHT FEES 1956 RATES (FULL FEE) AND PROPOSED "MONTANA"





# COMPARISON OF PROPOSED MILEAGE CHARGES IN MONTANA WITH EXISTING RATES IN OREGON

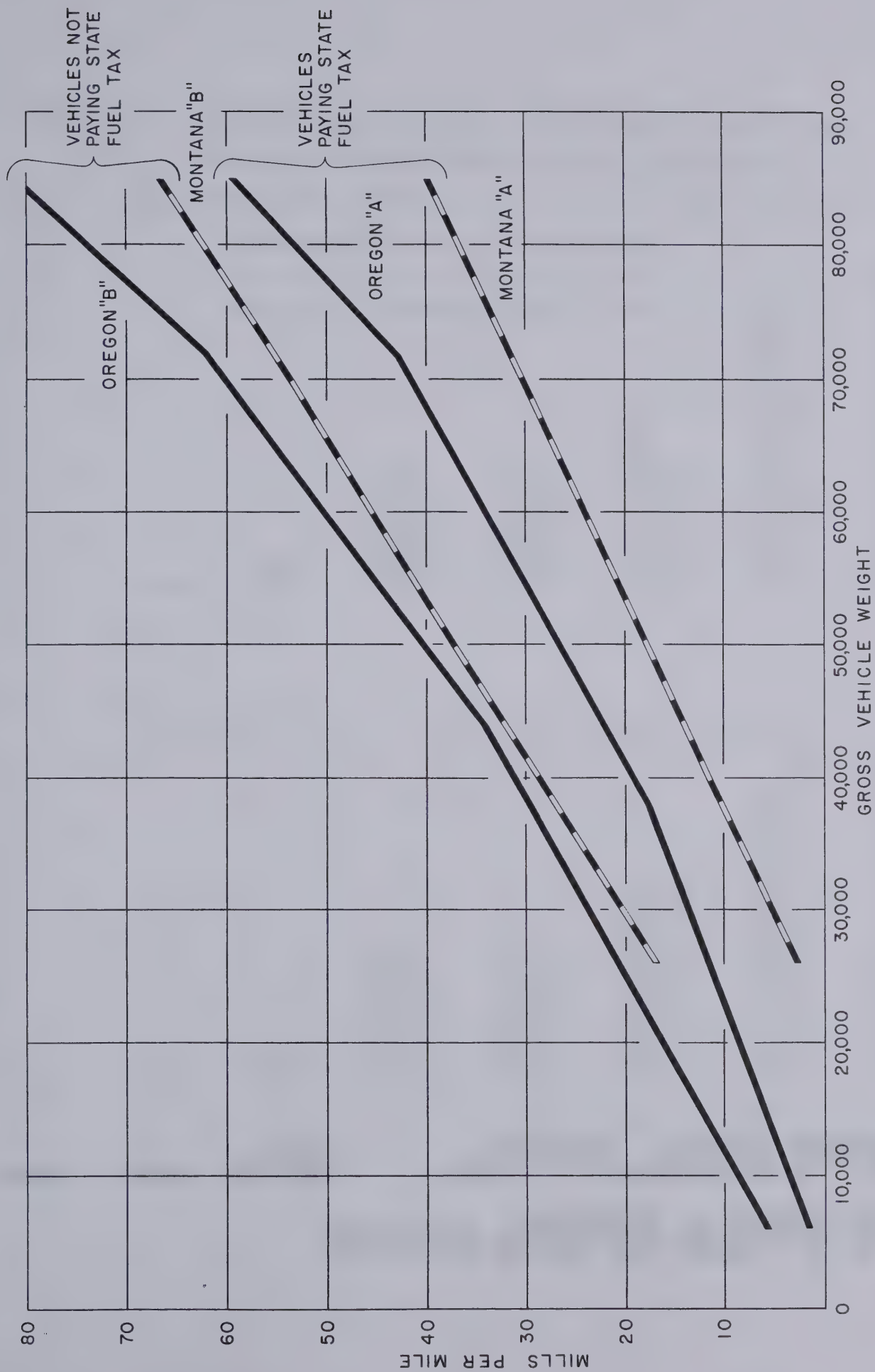
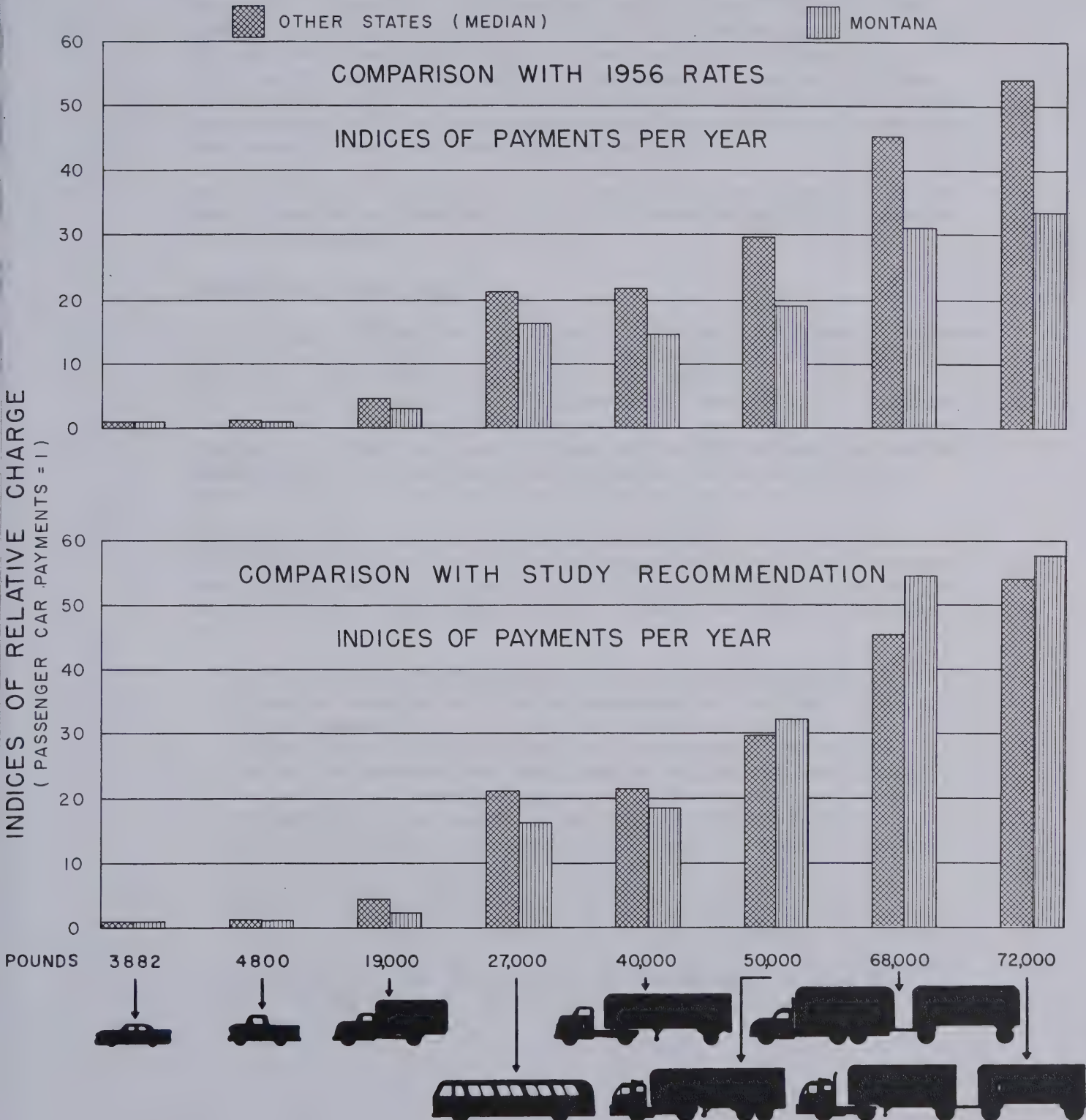






FIGURE 5

# INDICES UNDER TAX STUDY RECOMMENDATIONS IN 11 STATES COMPARED WITH MONTANA







dition, due to operational differences, it is likely that the combination unit will travel more miles per year than the higher fee solo unit. Because of this obvious inequality and because of the simplicity of a pulling unit type of fee, the schedules under item 6 have been shown as pulling unit fees only with no weight fee attached to the trailing unit. On an annual fee basis, this does penalize the operator with one truck and one trailer as opposed to the operator with one truck and several trailers, but on the mileage fee schedule even this penalty is mitigated.

Recommendation: In modern type truck-trailer movements, this procedure appears to have merit. It is recommended to the legislature for consideration.

7. Motor Vehicle Department.

Discussion: The various functions of the State Government concerned with licensing, control and taxation of the motor vehicle have, over the years, been assigned to several departments. With divided authority, it is only natural that escapement of taxation and in some instances even licensing of vehicle and driver has resulted. A general discussion of just what such a department might include and the advantages to the motor vehicle owners of the State is included in Appendix "B" of "Financing Modern Highways for Montana."

Recommendation: Realizing the advantages of a motor vehicle department and some of the results of existing procedures, the Committee made this matter the subject of its first considered recommendation and passed the following Resolution in their meeting of September 24, 1956:

BE IT RESOLVED that the Montana Fact Finding Committee on Highways, Streets and Bridges recommend to the 35th legislative assembly the creation of a Department of Motor Vehicles, under the administration of a Director, to be chosen by the Governor and confirmed by the Senate; that there be centralized under such department the powers, duties and jurisdiction now vested in the Montana Highway Patrol, the Montana Highway Patrol Board, the Registrar of Motor Vehicles, the State Reciprocity Board, and the functions of the State Highway Commission as they apply to the collection of fees of motor vehicles specified in Sections 53-615 through 53-643, inclusive, of the Revised Codes of Montana, 1947, as amended, and the State Board of Equalization so far as duties specified for that Board under Section 84-1801 through 84-1841 of the Revised Codes of Montana, 1947, as amended.

8. Improved collection and auditing procedures under gas tax and diesel tax collections laws, and refund procedures regardless of administering unit.

Discussion: The fuel tax collection and auditing procedures, under present techniques in Montana, could stand strengthening. The establishment of a motor vehicle department would be a step towards improvement of this feature. Since there is a possibility that a Motor Vehicle Department may not be created at this time, it was considered advisable for the Committee to take a stand on this item. Information on current procedures is included in Appendix "B" of "Financing Modern Highways for Montana."

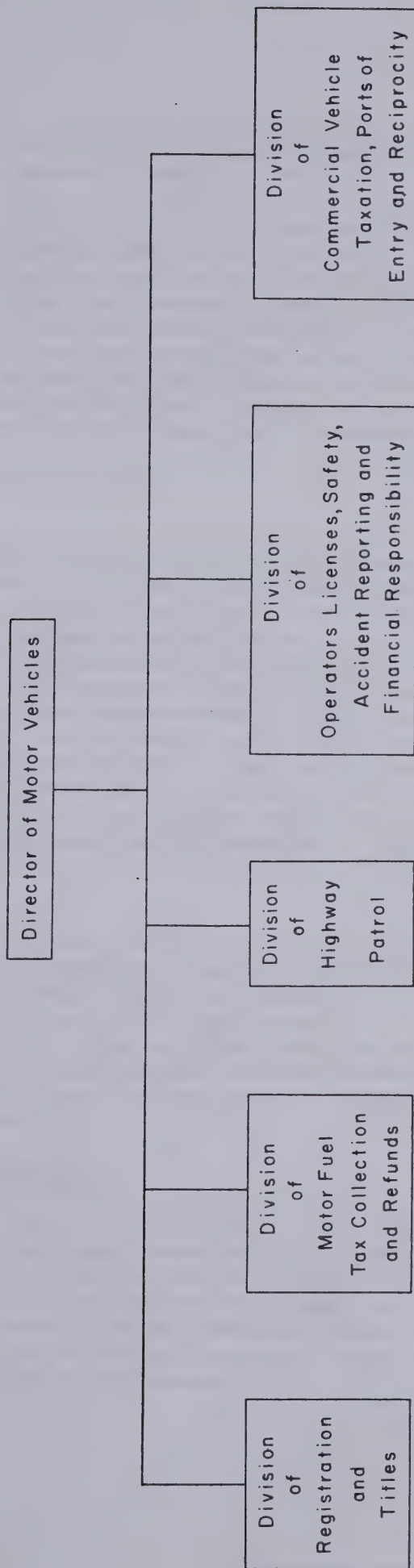
Recommendation: The Committee believes regardless of the office charged with this responsibility, increased enforcement and auditing controls are imperative. This is a matter involving many millions of dollars and current auditing and enforcement techniques do not reflect the competence necessary for financial matters of this magnitude. It is recommended that these functions be delegated to an auditor of proven ability, paid in accordance with his competence; that appropriate audit procedures be established for all phases of collection and refund work; that field audits be controlled from the headquarters level with complete audits made on a statistically selected sample of accounts; that adequate written reports of all audits be made and retained in State files for a least 5 years; that machine accounting be used to the fullest extent possible; that competent statistical studies of refund claims be made to establish realistic measures of appropriate refund magnitudes and that the legislature provide adequate funds to accomplish this type of program.

9. Immediate efforts to place all available Federal funds under contract rather than just keeping ahead of the deadline.

Discussion: As of June 30, 1956, the State had a balance of Federal funds, not matched, of about \$37 million. During July of 1956 an additional \$37,900.000 in Federal funds was allocated to Montana. This last amount would not be available for reimbursement until July 1, 1957, but could actually be placed under contract prior to that date. If all of these funds were placed under contract at the regular allowable matching ratios, there would be an immediate requirement for about \$30 million in State matching funds. Actually, the amount of funds available for matching these construction funds are about \$12 million per year, indicating a considerable backlog of Federal funds which are available, but which cannot be placed on the road because of shortage of State funds. This feature will probably be corrected gradually in the years to come, but it is, nevertheless, a substantial amount of money actually lying idle,

FIGURE 6

DEPARTMENT OF MOTOR VEHICLES  
(Proposed)







waiting for State matching revenues. This matter is covered in the report, "Financing Modern Highways for Montana."

Recommendation: The Committee is in agreement that it is poor business to allow Federal highway funds to lie idle due to inability to match with State funds when the need for highway improvements in the State is so great. The Committee recommends that the legislature consider a bond issue of at least sufficient magnitude to catch up all backlogs of Federal funds and of long enough term so as to not interfere with the adequacy of matching funds during the remaining period of the accelerated Interstate Highway program, with due regard for financing costs, and the incorporation of prepayment provisions in any bonds so issued.

10. Bond Financing.

Discussion: Chapter 4 of "Financing Modern Highways for Montana" is devoted to the possibility of bond financing to provide an accelerated program of highway construction. One alternate, of course, would be increased tax revenues, a subject which is also covered in the same chapter. A second alternate would be the undesirable one of getting along with unsafe and inadequate highways at the untold cost of life and limb, financial loss and economic strangulation. Since there is clear indication that judicious use of bond financing can accomplish the backlog of needs in the next 20-year period, and since Federal aid procedures can now be used to implement this procedure, serious consideration should be given to this technique in approaching Montana's highway problem. One analysis of a complete financial plan is shown on Figure 7. Others are given in Chapter 4 of "Financing Modern Highways for Montana."

Recommendation: The Committee took a stand on bond financing for matching the backlog of Federal funds in the previous item. This is a step further which with certain adjustments could accomplish Montana's highway backlog over the next 20-year period without substantial increases in highway user revenues. The Committee recommends this matter to the legislature at the same time inviting attention to a number of bond finance plans outlined in Chapter 4 of "Financing Modern Highways for Montana."

11. Classification of Highways.

Discussion: The matter of classification of highway systems into Primary, Secondary, and local roads in rural areas and arterial and local streets in urban areas is the very foundation of a good highway and street program. It is discussed thoroughly in the Automotive Safety Foundation report, "Moving Ahead on Montana's Highways." This report raises the following fundamental questions regarding highway classification philosophy in Montana.

1. Is the absence of legislative control on the extent of the State highway mileage desirable?
2. Are present systems adequate and properly selected?
3. Is it necessary and advisable for construction and maintenance responsibility on the Federal-aid Secondary system to be divided between the State and counties?
4. Is the State's interest in arterial city streets comparable to that in rural roads?
5. Is it desirable to have no State engineering and supervisory control over expenditures by the counties from proceeds from motor vehicle registration fees?
6. Are existing constitutional and legislative limitations on county and municipal road and street finance reasonable and proper?

Recommendation: Chapter 2 of the report, "Moving Ahead on Montana's Highways" arrived at the following conclusions in regard to classification of highways in Montana:

It is recommended that the legislature:

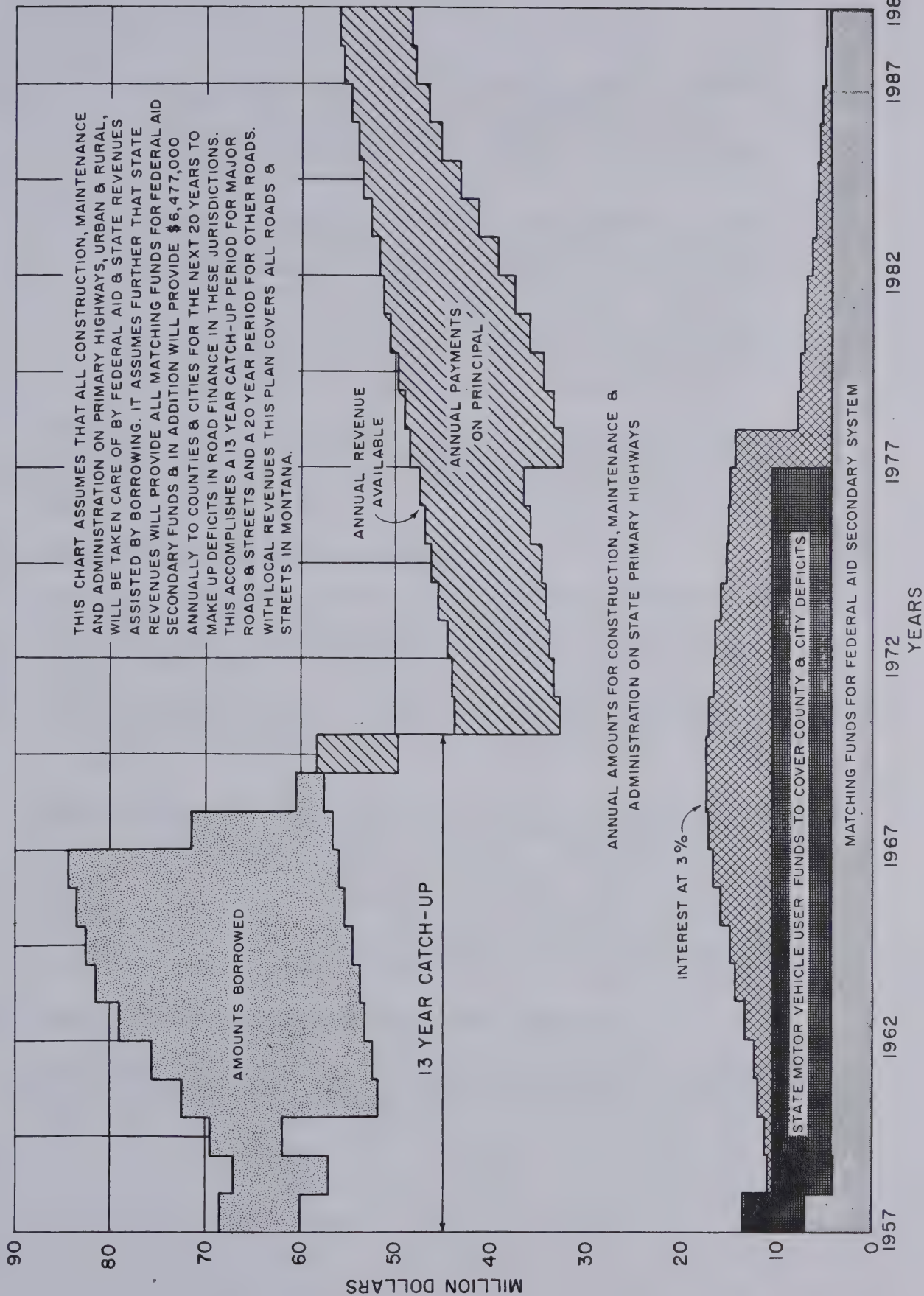
1. Authorize a State Highway system, limited to 6,250 miles including urban extensions and circumferential routes. Such action should define authority and responsibility with respect to urban extensions and should establish a financial policy to insure a balanced development between rural and urban portions of the system. Designation of the routes to comprise the system should be clearly delegated to the State Highway Commission. The system should conform to the primary routes of statewide interest shown on the map on page 28 of the Automotive Safety Foundation report.
2. Establish a Secondary road system totaling approximately 12,500 miles. Because it is essential that this system be integrated with the State Highway system, adequate provisions should be made to insure cooperation between the counties and the State Highway Commission. The initial selection of the Secondary system should be by the counties using the prin-



FIGURE 7

PLAN 3

# 13 YEAR CATCH-UP PROGRAM FOR PRIMARY HIGHWAYS WITH BORROWINGS AND PROVIDING NECESSARY FUNDS TO BRING SECONDARY AND LOCAL SYSTEMS TO COMPLETION IN 20 YEARS





ciples developed in the Automotive Safety Foundation Study with responsibility for review and approval delegated to the Highway Commission. Management responsibility should be assigned to the counties as rapidly as possible.

3. Require creation of arterial street systems in municipalities integrated with urban extensions of State Highway routes. Initial selection of arterial street systems should be made by the cities with review and approval by the Highway Commission. The Commission should establish criteria upon which the selections are to be made consistent with the principles established by the Automotive Safety Foundation Study.

The Committee agrees with these recommendations and since they are the foundation of an orderly highway, road and street development plan, it is believed this matter should be given priority consideration by the legislature.

#### 12. Improve management of State highways.

Discussion: The report "Moving Ahead on Montana's Highways" points out a number of ways that the State Highway Commission and Highway department might improve management techniques. It is known that many of these matters have been considered and processes of change can be noted. The report also points out the legal deficiencies so far as basic highway law is concerned in the State and suggests that an examination of existing statutes to determine their adequacy is in order.

Recommendation: The Committee recommends that the Highway Commission take early steps to improve highway management along the lines suggested by the Automotive Safety Foundation. The Committee recommends further that the legislative assembly consider the specific assignment of an interim group adequately financed to make a complete study of existing highway statutes under the guidance that can be provided by the Automotive Safety Foundation legal staff and the legal assistance of the Highway Research Board which is available on request.

#### 13. Salary Schedules for engineers and other personnel.

Discussion: The inadequacy of Engineering salaries now being paid by the State Highway Department is brought out on pages 40 and 41 of "Moving Ahead on Montana's Highways".



Recommendation: The Committee makes no specific recommendation on this matter but wishes to invite the legislators' attention to the comments on pages 40 and 41 of the Engineering report.

14. Establishment of a State-Aid Division.

Discussion: The enlarged road and street program required in Montana will involve 180 public agencies--State, counties and cities. Statewide coordination will be necessary. The State Highway Commission is the logical agency to provide this coordination. To accomplish this a State Aid Division would have to be created in the Highway Department. This division would be responsible to the State Highway Engineer for supervision of State-Aid funds allotted to local governmental agencies, to the extent determined by the legislature and subject to such broad policies as the legislature might direct. The main elements of a state aid plan are given on page 39 of the Engineering report.

Recommendation: If the broad development of Montana's highways is to be pursued in a coordinated manner, the establishment of a State-aid plan and a State-aid division within the Highway Department is essential. The committee recommends legislative consideration of this matter.

15. Designation of Urban extensions of Primary System as responsibility of the State.

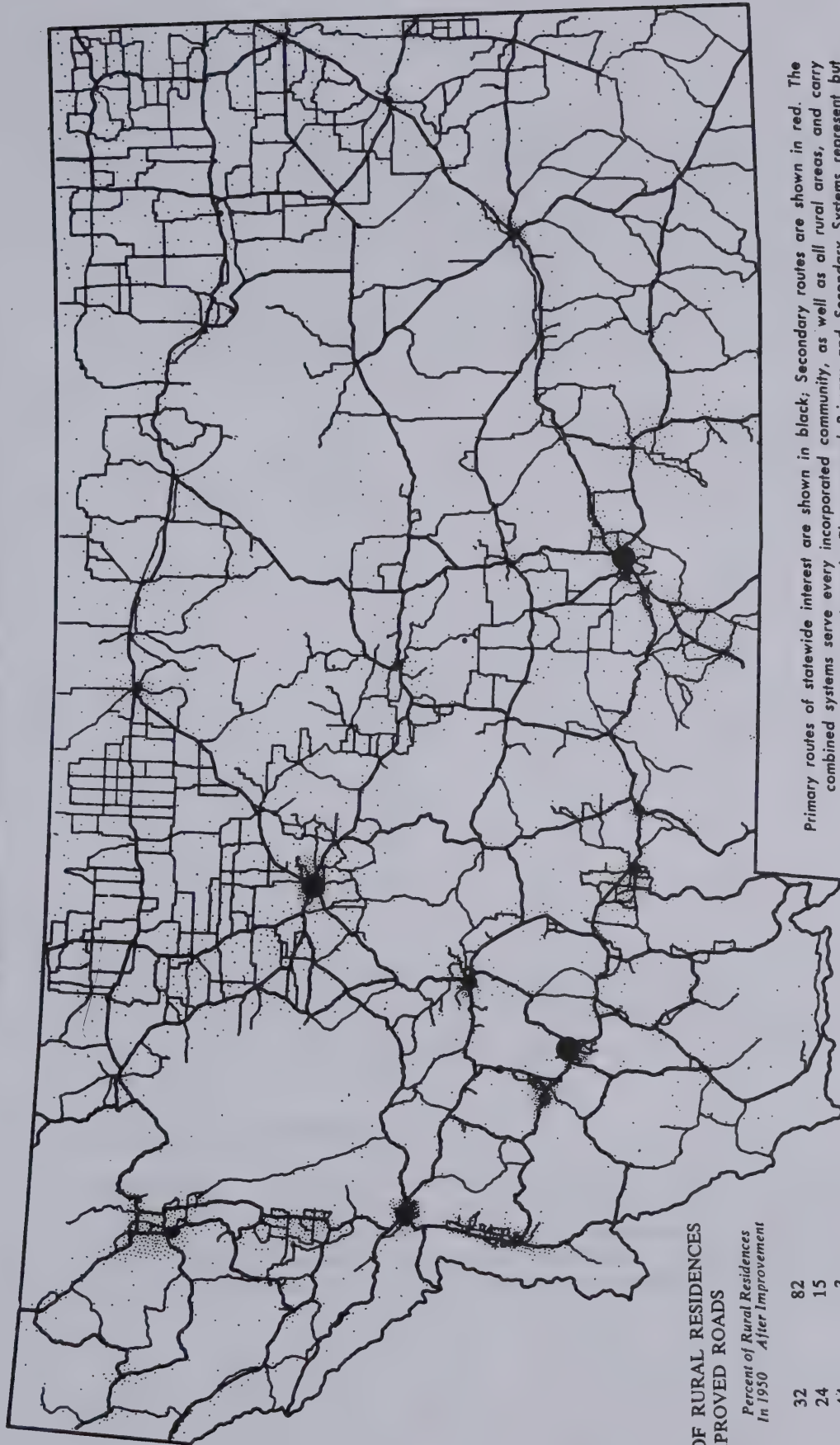
Discussion: The establishment of a State Highway System including urban extensions thereof was discussed under item 11. Uniformity of action seems to demand this procedure.

Recommendation: The Committee recommends that all urban extensions of the State Highway system be made the complete responsibility of the State Highway Commission for construction, maintenance and traffic control functions.

16. Financial District Allocation.

Discussion: The best method of allocating revenues to various financial districts, to counties, and to cities is the highway needs of those specific units and areas. The work of the Automotive Safety Foundation and Fact Finding Committee staffs has developed these needs on a realistic basis, indicating the desirability of some revision in revenue allocation. In this connection there will be a specific necessity for revision as the law applies to the Interstate system. This system is located in 9 of the 12 financial districts and not equally in any of these. Actually, 75 percent of the Interstate construction costs will be located within 5 districts. If the

# PROPOSED PRIMARY AND SECONDARY ROAD SYSTEMS



## PROXIMITY OF RURAL RESIDENCES TO IMPROVED ROADS

Distance from Improved Road (Miles)	Percent of Rural Residences In 1930	After Improvement
0.0 to 0.9	32	82
1.0 to 4.9	24	15
5.0 or more	44	3
	100	100

Primary routes of statewide interest are shown in black; Secondary routes are shown in red. The combined systems serve every incorporated community, as well as all rural areas, and carry 93 percent of all rural travel. The proposed Primary and Secondary Systems represent but one-fourth of the state's total road and street mileage.

FROM "MOVING AHEAD ON MONTANA'S HIGHWAYS"





analysis is accurate and the financial districting law allocating funds on an incomplected mileage basis is strictly adheared to, it could mean that some districts will get an excellent Interstate system while little or no funds will be available for Primary highways. In the meantime, large blocks of revenue would go to non-Interstate districts with the consequent rapid development of Primary highways in those districts. The percentage of total dollar needs on the Primary and Interstate System as developed in the Automotive Safety Foundation Study and the 1957 allocation percentages by Financial Districts are shown below.

District	1957 Allocation Percent	A. S. F. Developed Construction Needs-20 Years Primary & Interstate Percent
1	8.07	8.0
2	6.53	4.5
3	9.41	5.0
4	10.86	7.2
5	6.31	3.6
6	7.56	9.0
7	6.15	8.0
8	11.36	16.5
9	7.33	8.1
10	10.12	8.9
11	8.23	14.3
12	8.07	6.9
Total	100.00	100.0

Recommendation: The Committee recommends that the Financial District Law be revised to take into consideration the costs to complete the Interstate and Primary System in each district with the intent of bringing the entire system to completion at substantially the same time in each district.

#### 17. County Highway Management.

Discussion: The Automotive Safety Foundation engineering study found highway management at the county level to be extremely weak. Suggestions for improvement of this management are given in the report "Moving Ahead on Montana's Highways". State-aid to induce more rapid movement toward improved management is suggested.

Recommendation: The Committee recommends that procedure be adopted by the legislature to improve county highway management through methods suggested in the reports "Moving Ahead on Montana's Highways" and "Financing Modern Highways for Montana". This procedure will involve some method of State-aid to each county to induce the establishment of technically competent-staffs.

18. Increased funds for county roads - (Secondary and local).

Discussion: Over the 20-year period of the study, some units of government develop surpluses of revenues in relation to expected expenditures, while others develop revenue shortages. Counties are notably short of funds to accomplish the improvement of Secondary and local roads in the 20 year period while State funds show a surplus of substantial proportions over the total period although deficient in the early years. This matter is covered in Chapter 3 of the report "Financing Modern Highways for Montana". Since counties have about exhausted the sources of revenues that they can develop for highways, it is suggested that one method of solution would be to develop State Aid for counties somewhat on the same basis that Federal-aid is now provided to State governments. This is a logical procedure since the State government is in the position to collect certain types of revenues which could not conveniently be collected at the local level. This is particularly true of fuel taxes and is one reason that over 34 states now return some portion of fuel taxes to counties for road purposes. Control of such distribution would probably have to be under the supervision of the State-aid division suggested in item 14.

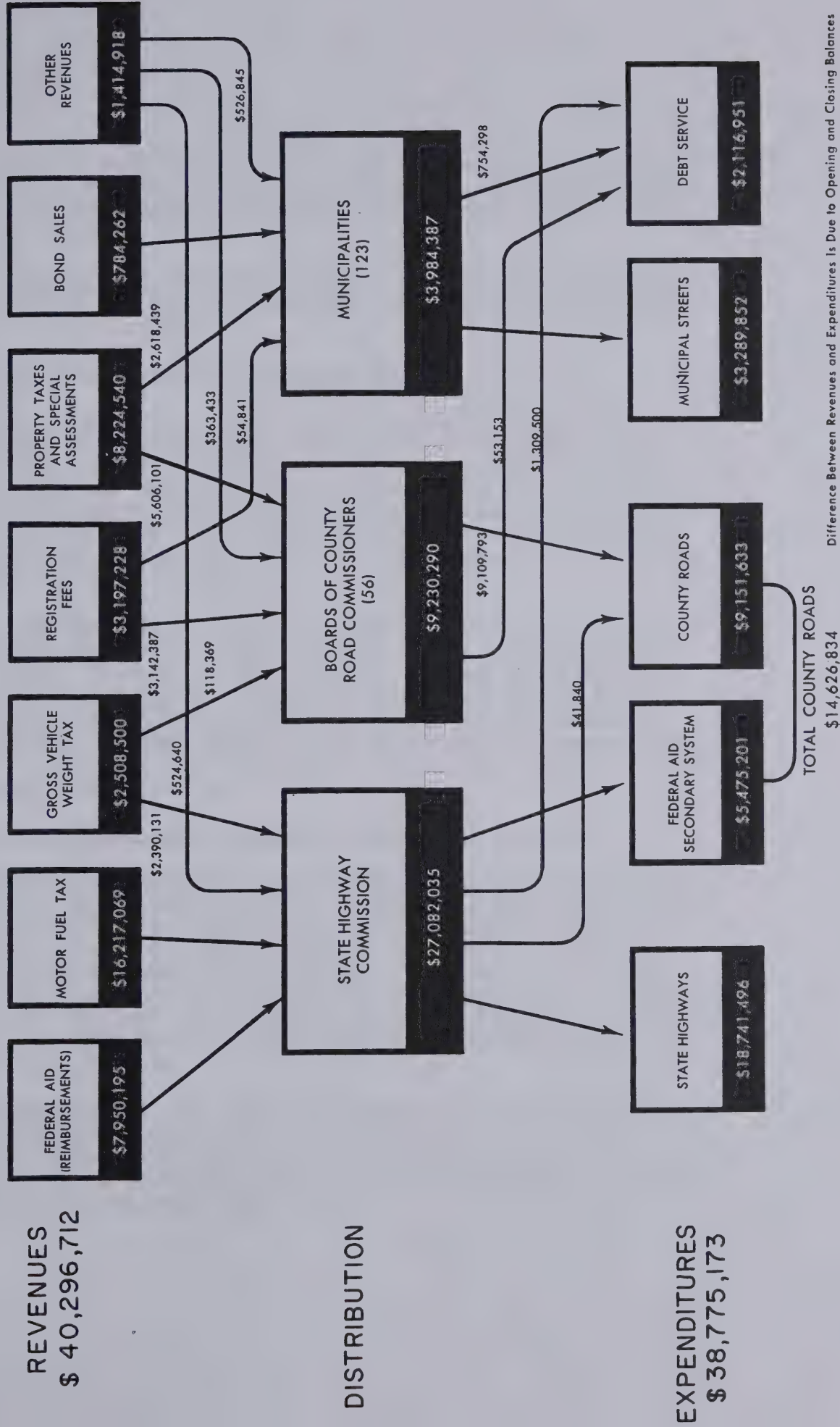
Recommendation: The Committee is in agreement that additional highway-user funds should be made available for county roads but believes procedures to improve county road management should precede, or at least be closely tied to this move.

19. Highway-User Funds for Cities - \$800,000 per year (Population allocation).

Discussion: With the limited exceptions of Butte, Anaconda and Walkerville, no highway-user revenues have been allotted to cities in Montana. Even the amounts allotted to those cities comes from normal county sources, registration fees, and not from State revenues. It is noted that on the average there is a shortage of revenue for street purposes in the next 20 years of about \$800,000 per year. This is true even when all obligation for urban extensions of the State Primary system have been considered as State responsibilities. One suggestion for solving this would be to allocate about 1/4 of one cent per gallon of fuel tax to city purposes and distribute this to cities on the basis of population. This would

# HIGHWAY AND STREET REVENUES AND EXPENDITURES

1955



FROM "MOVING AHEAD ON MONTANA HIGHWAYS"





amount to about \$15,000,000 over the 20-year period and coupled with the transfer of responsibility for the urban extensions of the Primary system would provide a substantial benefit to city governments.

Recommendation: Increased funds for city street purposes are desirable. It is recommended that this matter be considered by the legislature.

20. Motor Vehicle Periodic Inspection Law.

Discussion: The law establishing the Fact Finding Committee specifically directed that the group study the feasibility of the periodic inspection of motor vehicles to insure the safety of operation upon the highways. This item is covered by a special report, "Periodic Motor Vehicle Inspection", in which inspection of private garages is recommended because of sparse population in Montana. This is the only method that has proven workable in Western states.

Recommendation: The Committee recognizes that periodic motor vehicle inspection is only one facet of the highway safety problem. However, it is an important element and statistics clearly indicate that vehicle condition was a contributing factor to fatal highway accidents in a significant number of instances in recent years. It is accordingly recommended that the legislature consider the establishment of a periodic motor vehicle inspection law.

21. Advanced Construction Programs and Project Priorities.

Discussion: The subject of advanced construction programs and orderly scheduling of work on the basis of priorities is covered in the engineering needs study. It is pointed out that construction programs should be developed at least 5 years in advance and reviewed annually to keep a program for the 5-year period constantly ahead. Such planning permits full coordination of all functions, saves time and money, and eliminates confusion. It also provides a continuous means of evaluating progress in relation to needs.

Recommendation: The Committee is heartily in favor of advance programming of construction projects on a priority basis and recommends that the State Highway Commission establish procedures to make 5-year advance programming a continuing process in the Highway Department.

22. Continuing Construction Needs Study.

Discussion: As a result of the engineering study conducted as a part of the Fact Finding Committee studies, the State of Montana has, for the first time, an inventory of needs on all highway systems in the State. It is anticipated that there will be a continuing need for data of this type, especially in relation to the allocation of revenues to financial districts and various units of government.

Recommendation: The Committee recommends that the State Highway Department establish as a permanent function of the Highway Planning Survey, a continuing highway needs study that will be prepared to report at least at the time of each legislative assembly on the existing construction needs of each system of roads and streets, by counties and by financial districts.

23. Revolving Fund for Advance Purchase of Right of Way.

Discussion: This subject was one of the supplementary recommendations of the 1954 Interim Committee. Such procedures have the possibility of saving large sums of money, especially in the built-up urban areas, or areas where development might be anticipated. Several states have such programs in effect with considerable success. Federal law now incorporates this provision.

Recommendation: The Committee recommends the establishment of a revolving fund for the advance purchase of right of way with general fund revenues for reimbursement from highway funds at time of construction or if this is not feasible, the Committee urges the Highway Commission to take advantage of provisions of the Federal Aid Highway Act of 1956 in the regard.

24. Ports of Entry.

Discussion: Ports of entry will quite likely be required facilities if a weight-distance law is to be placed on the law books in Montana. Possible legislation for the establishment of such ports has been included in the financial report. Adjoining states have found the operation of such stations advantageous.

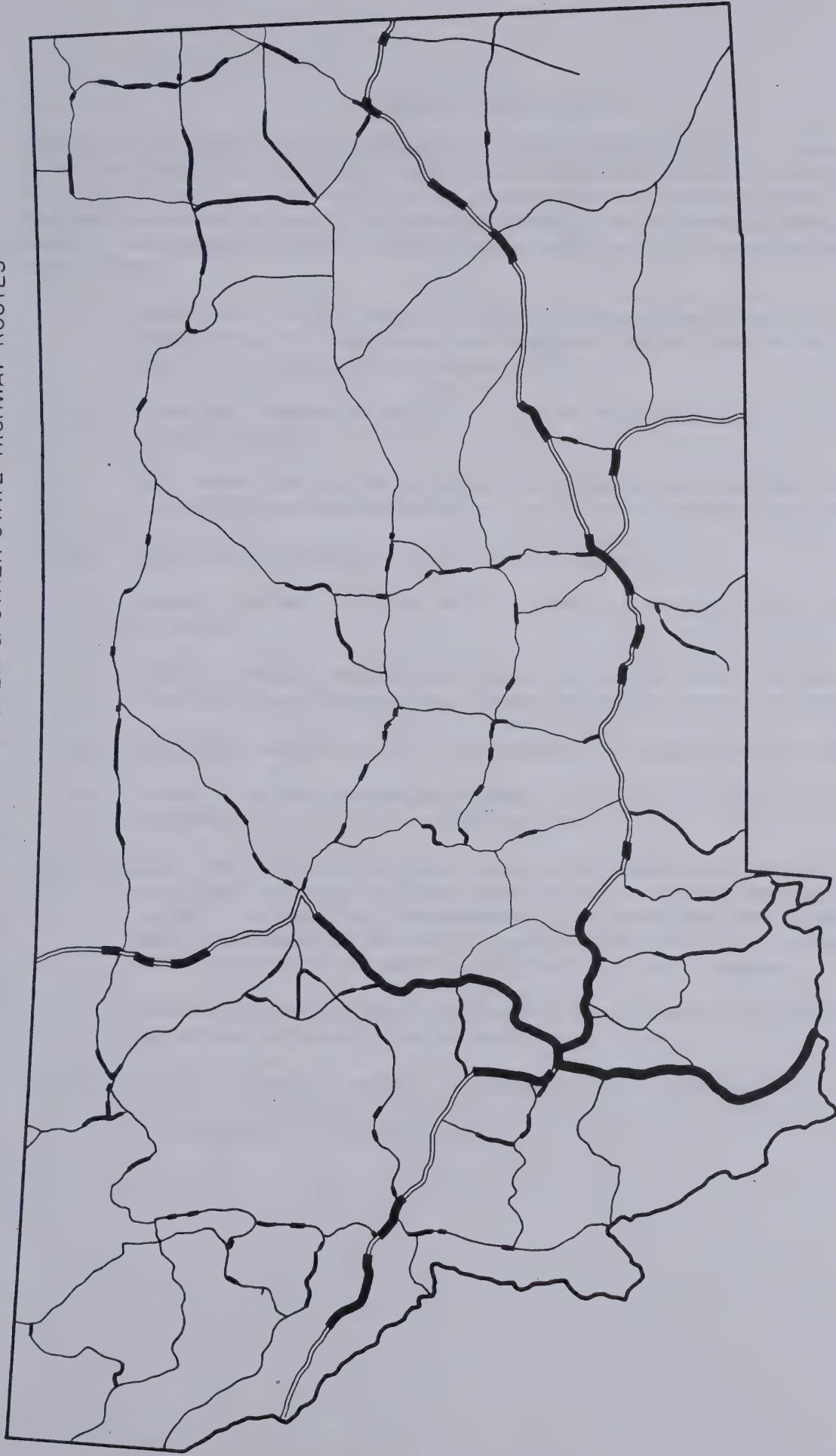
Recommendation: The Committee recommends that the legislature consider the establishment of ports of entry for control of commercial vehicles entering into and departing from Montana.

25. Highway Location.

Recommendation: That the legislature enact a law containing a general statement that it is the policy of the State of Montana that the Interstate and Primary systems of this State be located by the Highway Commission, within the framework of the Federal law, so as to best serve the transportation needs of all of the people of Montana, without regard to special local convenience or economic interest.



# HIGH PRIORITY NEEDS ON INTERSTATE SYSTEM & OTHER STATE HIGHWAY ROUTES



THE SECTIONS OF STATE HIGHWAYS SHOWN IN HEAVY BLACK WARRANT EARLY IMPROVEMENT BASED ON AN ANALYSIS OF STRUCTURAL CONDITION, CAPACITY TO CARRY TRAFFIC, ADEQUACY OF SURFACE AND ROADWAY WIDTHS AND IMPROVEMENT COST PER VEHICLE MILE OF TRAVEL. SECTIONS IN BROADEST BLACK LINES ARE ON ROUTES OF THE INTERSTATE SYSTEM. SECTIONS IN NARROWER BLACK LINES ARE TOP PRIORITY BACKLOG NEEDS ON OTHER STATE HIGHWAY ROUTES ESTIMATED COST OF THE TOP PRIORITY NEEDS TOTALS \$170 MILLION ABOUT 60% OF THAT COST IS FOR INTERSTATE SYSTEM NEEDS AND 40% FOR IMPROVEMENT ON OTHER STATE HIGHWAY ROUTES.



## POSSIBLE FUTURE STUDIES

Continuation of Fact Finding Committee or Similar Organization: There are a number of studies regarding the highway problem in Montana which have been done only superficially, or entirely avoided, during the tenure of the Fact Finding Committee. This was necessary in order that the work done could be accomplished in a competent manner. Recommendations for future studies and possible financing procedures are given below.

- A. Legal Study of all laws relating to highways and streets with suggestions for modernization, and exact definitions of all duties and powers of all taxing units.
- B. Effect of commercial vehicle taxation on operating ratios of for-hire vehicles.
- C. Full scale inquiry into appropriate controls for gas tax refunds including some determination of legality of refund procedures.
- D. Equitable allocation of funds to local units.
- E. Study of effect of proration of commercial vehicle fees on Montana revenues.
- F. Study of traffic engineering functions in the State and feasibility of greater coordination in signing, speed, and other controls.
- G. Full and complete study of all phases of highway safety in Montana.
- H. Study of uniform statewide property tax on motor vehicles to be returned to local units as appropriate.
- I. Study the possibility of the present allowance of 2 percent for motor fuel evaporation loss being reduced. Recommendation No. 10 in the 1954 report of the Governor's Interim Committee proposed that the present allowance of 2 percent for motor fuel evaporation loss be reduced to 1 percent allowance for such purpose.
- J. Investigate feasibility of more uniform and centralized method of collection of motor vehicle registration fees.
- K. Study of economic benefits of motor vehicle transportation to Montana, including study of most economical mode of transportation of commodities of varying value and bulk.



- L. Financing for future studies. Studies could be financed by any combination of charges. One example is given below.

<u>Annual Fee</u>	<u>Approx. No. Vehicles</u>	<u>Approx. Revenue</u>
\$0.25 per passenger car	230,000	\$ 57,500
0.50 per truck under 24,000 lbs.	91,000	45,500
1.00 per truck over 24,000 lbs.	9,000	9,000
Total		<u>\$112,000</u>

## APPENDIX "A"

### ESTABLISHMENT OF FACT FINDING COMMITTEE AND HIGHWAY RESEARCH COUNCIL

#### CHAPTER 99, LAWS OF MONTANA, 1955

Section 1. The purpose of this act is to provide for a committee to study and review the laws and policies of the State of Montana relating to construction, maintenance, financing and use of highways, roads, streets and bridges within the State of Montana for the purpose of recommending to the 1957 legislative assembly necessary changes in the method of constructing and maintaining highways, roads, streets and bridges in the State of Montana, equitable and adequate methods of licensing and taxing motor vehicles and other property to finance an adequate and proper program, and to allocate responsibility and moneys between the state, counties and cities in order to provide for an adequate highway program, including county roads and city streets for use of the public.

Section 2. There is hereby created the "Montana Fact Finding Committee on Highways, Streets and Bridges", hereinafter referred to as the committee, which shall consist of twelve (12) members appointed by the Governor; provided, that not more than six (6) members of said committee shall, at time of appointment or thereafter, be members of the same political party. One (1) member shall be appointed from each of the twelve (12) highway financial districts, as defined in Section 84-1815, Revised Codes of Montana, 1947, and shall be a bona fide resident of such district and such appointments shall be for the existence of the committee so created. Vacancies occurring or existing in the committee membership shall be filled by appointment by the Governor; provided further, that no two (2) members of said committee shall at time of appointment or thereafter be residents of the same financial district as herein mentioned.

Section 3. The committee shall organize on a date to be fixed by the Governor, but not later than April 1, 1955, by electing one of its members chairman and by electing such other officers from its membership as the committee shall deem desirable. The committee is empowered to adopt rules of procedure and to make all arrangements for its meetings and to carry out the purposes for which it is created. The committee shall keep accurate records of its activities and proceedings.

(a) The committee may employ an executive director and such other personnel, not members of the committee, as it deems necessary to assist in the preparation of its recommendations, statistics, proposed legislative acts and any other of its activities and shall fix the compensation of such employees.

(b) The committee is authorized to act until the commencement of the next regular session of the Montana legislative assembly and make its report on or before the 10th legislative day of such legislative assembly which will convene in the year 1957.

Section 4. The committee is hereby authorized and directed to ascertain, study and analyze all available facts and matters relating or pertaining to:

(a) A study of the policies relating to and the cost of administration, operation, construction and maintenance of public highways and streets of the state, with recommendations for such changes as may be deemed necessary;

(b) The need for and cost of bringing the highways and streets in the state to acceptable standards, the cost of maintaining them in such condition, the need and cost of expanding the highway and street system of the state to meet the increasing demands for travel and the demands arising from the changing economic and industrial development, and the determination of long range programs to provide the needed construction;

(c) The making of a study of motor vehicle taxation including the assignment of the total highway costs among property owners, general taxpayers and highway users;

(d) The determination of the portion of highway and street operation and construction costs assignable to the various highway users and classes of users so that all vehicles and classes of vehicles shall bear their fair share of such costs;

(e) The determination of the tax basis and rates to be exacted from each vehicle or user; including a complete study of the Oregon weight-distance tax and the determination of rates to be assessed to each class of highway user and to each weight group; provided further, that such study and determination shall include the preparation of bills necessary for the enactment of such legislation in the State of Montana and to resolve any conflict with laws currently in effect;

(f) A determination of what roads should be included in the state highway system and what changes should be made in the existing system;

(g) Other studies of motor vehicles' transport economics, including, but not limited to the inspection of motor vehicles to insure the safety of operation upon the highways, the control of loads and weights for the protection of the highway and street investments, and a study of such other factors and conditions as may appear necessary.

(h) Participate in the activities of the "Western Interstate Committee on Highway Policy Problems" of the eleven western states in its study on highway problems upon a state and regional basis, and cooperate with and contribute to any study made by such committee of highway-user cost allocations in order to bring about equity and uniformity in this state and in the eleven western states in highway-user taxes and fees; and participate in or make joint studies with relation to the design and construction of highways and the use and cost thereof;

(i) The revision of any and all laws bearing upon or relating to the subject of this resolution together with the committee's recommendation for appropriate legislation;

(j) To enter upon a review of the state highway system with particular consideration of the usefulness of all highways that are part of the state system, any need for a change in the state system by addition or deletion, and the relationship between the state system and county roads and city streets, but any such study shall not have for its purpose the increase of the present total mileage of either the primary or secondary roads;

(k) To participate with the state highway commission in any study which may be undertaken of the relationship of motor vehicle weights and highway design and costs.



Section 5. The committee, in order to accomplish the purposes of the act, shall have the following powers and duties:

(a) To employ an executive secretary and such expert, clerical and other help as may be necessary to carry out its duties;

(b) To examine and study the organization and practices of state, county and city offices and agencies relating to construction, maintenance, operation and financing of highways, streets and roads or relating to fees charged for the use of such highways, roads and streets;

(c) To examine the current condition of all state, county and city funds derived from use of the highways, roads or streets or designated for use on such highways, roads or streets;

(d) To hold public hearings and to make such investigations and surveys, or cooperate in the making of investigations or surveys, as it may deem desirable;

(e) To delegate to an executive committee or committees or sub-committees, consisting of its own members, any authority, responsibility or duties deemed appropriate and necessary for efficient operation;

(f) To compel the attendance of witnesses before its hearings and require the production of papers, documents or other evidence required by it, and to issue subpoenas for such purposes;

(g) To cooperate with and secure the cooperation of the state highway commission, state agencies, boards of county commissioners or officers, city councils, and officers, and other associations, groups or institutions in investigating any matter within the scope of this act;

(h) To do any and all other things necessary or convenient to enable it fully and adequately to exercise its powers, perform its duties, and accomplish the objects and purposes of this act.

Section 6. The committee shall report its findings and recommendations, together with any proposed legislative enactments it deems necessary to the Governor, the President of the Senate and the Speaker of the House, not later than commencement of the next regular legislative assembly.

Section 7. The members of the committee shall be reimbursed for their actual expenses, but not to exceed Fifteen Dollars (\$15.00) per day, incurred while attending sessions of the committee or any sub-committee thereof, or other authorized business of the committee, plus transportation as provided for state officers. All expenses of the committee shall be paid from moneys appropriated as hereinafter provided in the usual manner of payments of claims against the state highway general fund.

Section 8. There is hereby appropriated from the state highway general fund to the committee the sum of Thirty-five Thousand Dollars (\$35,000) or so much thereof as may be necessary to carry out the purposes of this act; provided, that in addition to all other fees prescribed by law, there shall be paid for each bus, truck, or trailer registered for operation during the calendar year of 1956, at the time of registration, the following amounts:

For each trailer over 6,000 lb. and up to 24,000 lbs. . . . . \$0.50  
For each trailer over 24,000 lbs. . . . . \$1.00

For each passenger bus paying fees under the

Gross Vehicle Weight Law . . . . .	\$.1.00
For each truck up to 6,000 lbs. . . . .	\$.0.25
For each truck over 6,000 lbs. and up to 24,000 lbs. . . . .	\$.0.50
For each truck over 24,000 lbs. . . . .	\$.1.00

That all such additional registration fees shall be remitted monthly by the county treasurer, on or before the 15th day of the month after collection, to the treasurer of the state of Montana for deposit in the state highway fund to replace the Thirty-five Thousand Dollars (\$35,000.00), or so much thereof as may be necessary to carry out the purposes of this act. Any excess funds shall remain in the highway fund for the construction, re-construction, maintenance, engineering on the public highways of this state.

Section 9. The committee is authorized to avail themselves of the services of the Montana council, hereinafter created, for highway research and to cooperate with said body.

Section 10. The council shall consist of the Chairman of the State Highway Commission, the State Highway Engineer, the District Engineer of the U. S. Bureau of Public Roads, ex-officio members, and 16 additional members appointed by the Governor of the State of Montana as follows: One (1) representative each from organizations representing: Agriculture, National Highway Users Conference, Labor, Logging, Manufacturing, Wholesale Business, Automobile Dealers, Retail Business, Automobile Clubs, Motor Carriers, Motor Bus Operators, Mining, County Commissioners, City Officials; two (2) representatives from institutions of higher learning in this state.

The council shall complete its own organization, elect a chairman, and such other officers as it may deem necessary. Members of the council shall serve at the pleasure of the Governor.

Section 11. The council is hereby authorized and directed to:

(a) Confer with and advise the committee upon all matters which the committee may from time to time suggest.

(b) Consider the need for research or studies in all matters concerning highway construction, planning, needs, taxes, safety and related matters.

(c) Prepare reports on the feasibility or necessity for such studies and research.

(d) Recommend to the committee fields which require study or research and the methods to be used.

(e) Prepare and present to the committee an analysis of the results of research or studies undertaken as provided herein.

Section 12. If any clause, sentence, paragraph, section, subdivision, or part of this act shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, inoperative, or unconstitutional, such decision shall not affect, impair or invalidate the remaining portions of this act, but shall be confined in its operation to the clause, sentence, paragraph, section, subdivision, or part directly adjudged to be invalid, inoperative, or unconstitutional.

Section 13. All Acts and parts of Acts in conflict herewith are hereby repealed.

Section 14. This Act shall be in full force and effect from and after March 2, 1955.

APPENDIX B

THE MONTANA COUNCIL FOR HIGHWAY RESEARCH

Sections 9, 10 and 11 of Chapter 99, Laws of 1955, established a Highway Research Council, designated its membership and outlined its duties. The council as designated by law and appointed by the Governor, is listed below.

Chairman -- Walter Sagunsky

Agriculture: Lester Rutlege	Retail Business: Paul Campbell
National Highway Users Conference: Alfred F. Dougherty	Automobile Clubs: Harry O. Bell
Labor: James Leary	Motor Carriers: B. A. Fisher
Logging: H. H. Koessler	Motor Bus Operators: F. H. Capps
Manufacturing: Bernard P. Haley	County Commissioners: William F. Murray
Wholesalers: Senator Walter Sagunsky	City Officials: Earle Knight
Automobile Dealers: Arnold Hannah	State University: Theodore H. Smith
	Montana State College: Maurice C. Taylor

Mining: . Carl J. Trauerman\*

\*Deceased

Ex-officio Members:

Frank G. Connelly	Chairman, State Highway Commission
Scott P. Hart	State Highway Engineer
Wm. B. Huffine	District Engineer, U. S. Bureau of Public Roads



The Research council was organized by selection of Walter Sagunsky as Chairman and assembled in a number of meetings during the course of the inquiries and studies of the Fact Finding Committee. Copies of all reports prepared by and for the Committee were provided to the members of the Research Council and comments invited. As a result of meetings of the council a number of suggestions were developed and officially transmitted to the Fact Finding Committee for consideration. The suggestions, with comment and Fact Finding action, are given below.

1. "That any bills prepared for the legislature by the Fact Finding Committee in pursuance to Paragraph (e) of Section 4, Chapter 99, Laws of 1955, be drafted so as not to disturb or decrease county revenue derived from motor vehicle registrations and taxes."

This suggestion refers to the so-called "Weight-Distance" law. By providing a weight-distance law there will be an automatic reduction in Gross Vehicle Weight fees for each unit affected. Since counties retain 5% of all Gross Vehicle Weight fees, any reduction in the total fee will automatically reduce the amount that is retainable. Except for this, the Council's suggestion was incorporated into the considerations of the Committee.

2. "The Research Council recommends that the Fact Finding Committee undertake research to determine methods and procedures which may be taken as a matter of law to protect and safeguard the public investment in secondary roads built by the State Highway Department and then turned over to the respective counties for maintenance and enforcement thereof."

This matter was made an integral part of the engineering study and is made a subject of recommendation in the chapter on management in the report entitled "Moving Ahead on Montana's Highways." It is also covered in recommendations of the Fact Finding Committee.

3. "Further recommends that in the drafting and preparation of revenue raising measures for highway purposes for the legislature, the Fact Finding Committee consider the particular and peculiar needs of cities and towns with the needs of the State and counties, and provide for those needs in such proposed legislation."

This matter is considered in Chapter 4 and Chapter 7 of the report "Financing Modern Highways for Montana." Also, a substantial highway burden would be removed from all cities if the recommendation of the Committee and the Engineering Study is followed in regard to the establishment of urban extensions of the State Primary System as total responsibilities of the State Highway Department for construction, maintenance, traffic control and financing.

4. "We respectfully suggest that your committee make a thorough study of the problem of tax evasion by itinerant truckers and so-called gypco trucking concerns."

The Committee would like to have undertaken this study. However, other matters of establishing costs of highways in Montana, evaluation of highway management, and equitable

allocation of costs among highway users appeared to have higher priorities. This item could be a matter of future study and would most certainly be a subject for enforcement agencies if a mileage tax is adopted in Montana.

5. "We further suggest that you study the possibility of manning Ports of Entry with adequate help for the collection of these fees and also that the Port of Entry stations be furnished with simplified forms which will state what the itinerant trucker must pay upon entering the State of Montana."

The matter of ports of entry is discussed in some detail in Appendix "B" and a proposed Port of Entry law is included as part of Appendix "C" of the report "Financing Modern Highways for Montana." Ports of Entry would most likely be required for efficient operation of a mileage tax in the State and would probably be of benefit under present highway taxing methods.

6. "We further suggest the desirability of a large sign to be placed upon every highway leading into Montana stating the law regarding itinerant trucking in the State of Montana."

There is apparently nothing in the law to prevent this procedure if enforcing agencies consider it to be effective. No study of the matter was made by the Committee.

7. "We further suggest that your study of the weight-distance tax be one of your first orders of business and be completed as soon as possible."

Such a study and preparation of proposed bills for consideration of the 1957 Legislative Assembly was a specific directive of Chapter 99, of the Laws of 1955. The subject was explored with care and is discussed in Chapters 5 and 6 of "Financing Modern Highways for Montana." The proposed legislation is included as part of Appendix "C" of the same report.

8. "We have discussed the advisability or desirability of delegating part of the truck tax collections to the Highway Patrol and suggest that you study this possibility."

A special report on all aspects of highway safety in Montana is included in the report to the Committee entitled, "Montana's Highway Safety Problem." The fact that the Patrol is financed to the extent of being able to employ only about one-half of the number of patrolmen needed for effective operation is brought out in that report. Also, it has been recommended by the Committee that a "Motor Vehicle Department" be established in Montana, which, if recommendations were adhered to, would include the Highway Patrol. Since it is also suggested that this Department be financed from the Highway Fund, it could, in effect, be partially supported from truck collections as suggested.









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